

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

HOUSE BILL 896

47TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2005

INTRODUCED BY

Daniel P. Silva

AN ACT

RELATING TO PUBLIC EMPLOYEES RETIREMENT; AMENDING THE PUBLIC
EMPLOYEES RETIREMENT ACT TO ALLOW PURCHASE OF SERVICE CREDIT BY
FORMER NEW MEXICO CONGRESSIONAL EMPLOYEES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 10-11-7 NMSA 1978 (being Laws 1987,
Chapter 253, Section 7, as amended) is amended to read:

"10-11-7. CREDITED SERVICE--PURCHASE OF SERVICE.--

A. A member who entered a uniformed service of the
United States may purchase service credit for periods of active
duty in the uniformed services subject to the following
conditions:

(1) the member pays the association the
purchase cost determined according to Subsection E of this
section;

.155545.1

underscoring material = new
~~[bracketed material] = delete~~

underscoring material = new
[bracketed material] = delete

1 (2) the member has five or more years of
2 service credit acquired as a result of personal service
3 rendered in the employ of an affiliated public employer;

4 (3) the aggregate amount of service credit
5 purchased pursuant to this subsection does not exceed five
6 years reduced by any period of service credit acquired for
7 military service pursuant to any other provision of the Public
8 Employees Retirement Act;

9 (4) service credit may not be purchased for
10 periods of service in the uniformed services that are used to
11 obtain or increase a benefit from another retirement program;
12 and

13 (5) the member must not have received a
14 discharge or separation from uniformed service under other than
15 honorable conditions.

16 B. A member who was a civilian prisoner of war
17 captured while in service to the United States as an employee
18 of the federal government or as an employee of a contractor
19 with the federal government may purchase service credit for the
20 period of internment as a civilian prisoner of war, provided
21 that:

22 (1) the member provides proof of employment
23 with the federal government or as a contractor to the federal
24 government in a form acceptable to the association;

25 (2) the member provides proof of the period of

.155545.1

underscoring material = new
[bracketed material] = delete

1 internment in a form acceptable to the association;

2 (3) the member has at least five years of
3 service credit acquired as a result of personal service
4 rendered in the employ of an affiliated public employer;

5 (4) the aggregate amount of service credit
6 purchased pursuant to this subsection does not exceed five
7 years reduced by any period of service credit acquired for
8 military service pursuant to any other provision of the Public
9 Employees Retirement Act;

10 (5) service credit may not be purchased for
11 periods of service in internment as a civilian prisoner of war
12 if such periods are used to obtain or increase a benefit from
13 another retirement program; and

14 (6) the member pays the association the
15 purchase cost determined according to Subsection E of this
16 section.

17 C. A member who was employed by a utility company,
18 library, museum, transit company or nonprofit organization
19 administering federally funded public service programs, which
20 utility company, library, museum, transit company or nonprofit
21 organization administering federally funded public service
22 programs or federally funded public service programs
23 administered by a nonprofit organization are subsequently taken
24 over by an affiliated public employer, or a member who was
25 employed by an entity created pursuant to a joint powers

.155545.1

underscored material = new
[bracketed material] = delete

1 agreement between two or more affiliated public employers for
2 the purpose of administering or providing drug or alcohol
3 addiction treatment services irrespective of whether the entity
4 is subsequently taken over by an affiliated public employer,
5 may purchase credited service for the period of employment
6 subject to the following conditions:

7 (1) the member pays the association the
8 purchase cost determined according to Subsection E of this
9 section;

10 (2) the member has five or more years of
11 credited service acquired as a result of personal service
12 rendered in the employ of an affiliated public employer; and

13 (3) the aggregate amount of credited service
14 purchased pursuant to this subsection does not exceed five
15 years.

16 D. A member who was appointed to participate in a
17 cooperative work study training program established jointly by
18 the [~~state highway and~~] department of transportation
19 [~~department~~] and the university of New Mexico or New Mexico
20 state university may purchase credited service for the period
21 of participation subject to the following conditions:

22 (1) the member pays the association the
23 purchase cost determined according to Subsection E of this
24 section;

25 (2) the member has five or more years of

.155545.1

underscored material = new
[bracketed material] = delete

1 credited service acquired as a result of personal service
2 rendered in the employ of an affiliated public employer; and

3 (3) the aggregate amount of credited service
4 purchased pursuant to this subsection does not exceed five
5 years.

6 E. Except for service to be used under a state
7 legislator coverage plan, the purchase cost for each month of
8 credited service purchased pursuant to the provisions of this
9 section is equal to the member's final average salary
10 multiplied by the sum of the member contribution rate and
11 employer contribution rate, determined in accordance with the
12 coverage plan applicable to the member at the time of the
13 written election to purchase. The purchase cost for each year
14 of credited service to be used under a state legislator
15 coverage plan is equal to three times the normal member
16 contribution per year of credited service under the state
17 legislator coverage plan applicable to the member. Full
18 payment shall be made in a single lump sum within sixty days of
19 the date the member is informed of the amount of the payment.
20 The portion of the purchase cost derived from the employer
21 contribution rate shall be credited to the employer's
22 accumulation fund and shall not be paid out of the association
23 in the event of cessation of membership. In no case shall a
24 member be credited with a month of service for less than the
25 purchase cost as defined in this section.

.155545.1

underscoring material = new
[bracketed material] = delete

1 F. A member shall be refunded, upon written request
2 filed with the association, the portion of the purchase cost of
3 credited service purchased pursuant to this section that the
4 association determines to have been unnecessary to provide the
5 member with the maximum pension applicable to the member. The
6 association shall not pay interest on the portion of the
7 purchase cost refunded to the member.

8 G. A member of the magistrate retirement system
9 who during his service as a magistrate was eligible to become
10 a member of the public employees retirement system and
11 elected not to become a member of that system may purchase
12 service credit pursuant to the public employees retirement
13 system for the period for which the magistrate elected not to
14 become a public employees retirement system member, by paying
15 the amount of the increase in the actuarial present value of
16 the magistrate pension as a consequence of the purchase as
17 determined by the association. Full payment shall be made in
18 a single lump-sum amount in accordance with procedures
19 established by the retirement board. Except as provided in
20 Subsection F of this section, seventy-five percent of the
21 purchase cost shall be considered to be employer
22 contributions and shall not be refunded to the member in the
23 event of cessation of membership.

24 H. At any time prior to retirement, any member
25 may purchase service credit in monthly increments, subject to

.155545.1

underscoring material = new
[bracketed material] = delete

1 the following conditions:

2 (1) the member has at least five years of
3 service credit acquired as a result of personal service
4 rendered in the employ of an affiliated public employer;

5 (2) the aggregate amount of service credit
6 purchased pursuant to this subsection does not exceed one
7 year;

8 (3) the member pays full actuarial present
9 value of the amount of the increase in the employee's pension
10 as a consequence of the purchase as determined by the
11 association;

12 (4) the member pays the full cost of the
13 purchase within sixty days of the date the member is informed
14 of the amount of the payment; and

15 (5) the purchase of service under this
16 subsection cannot be used to determine the final average
17 salary or the pension factor or be used to exceed the pension
18 maximum.

19 I. A member who was employed by the government of
20 the United States as an employee of an elected member,
21 representing New Mexico, of the United States house of
22 representatives or the United States senate, may purchase
23 service credit for that period of employment subject to the
24 following conditions:

25 (1) the member pays the association the

.155545.1

underscoring material = new
[bracketed material] = delete

1 amount of the increase in the actuarial present value of the
2 pension of the member as a consequence of the purchase, as
3 determined by the association;

4 (2) the member has five or more years of
5 credited service acquired as a result of personal service
6 rendered in the employ of an affiliated public employer;

7 (3) the aggregate amount of credited service
8 purchased pursuant to this subsection does not exceed five
9 years; and

10 (4) the member has not qualified for vesting
11 in a federal government pension."